

110TH CONGRESS  
2D SESSION

# H. R. 7222

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## AN ACT

To extend the Andean Trade Preference Act, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2   *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EXTENSION OF ANDEAN TRADE PREFERENCE**  
2 **ACT.**

3 (a) EXTENSION.—Section 208 of the Andean Trade  
4 Preference Act (19 U.S.C. 3206) is amended by striking  
5 “December 31, 2008” and inserting “December 31,  
6 2009”.

7 (b) TREATMENT OF CERTAIN APPAREL ARTICLES.—  
8 Section 204(b)(3) of such Act (19 U.S.C. 3203(b)(3)) is  
9 amended—

10 (1) in subparagraph (B)—

11 (A) in clause (iii)—

12 (i) in subclause (II), by striking “6  
13 succeeding 1-year periods” and inserting  
14 “7 succeeding 1-year periods”; and

15 (ii) in subclause (III)(bb), by striking  
16 “and for the succeeding 1-year period” and  
17 inserting “and for the succeeding 2-year  
18 period”; and

19 (B) in clause (v)(II), by striking “5 suc-  
20 ceeding 1-year periods” and inserting “6 suc-  
21 ceeding 1-year periods”; and

22 (2) in subparagraph (E)(ii)(II), by striking  
23 “December 31, 2008” and inserting “December 31,  
24 2009”.

1 **SEC. 2. EARNED IMPORT ALLOWANCE PROGRAM.**

2 (a) IN GENERAL.—Title IV of the Dominican Repub-  
3 lic-Central America-United States Free Trade Agreement  
4 Implementation Act (Public Law 109–53; 119 Stat. 495)  
5 is amended by adding at the end the following:

6 **“SEC. 404. EARNED IMPORT ALLOWANCE PROGRAM.**

7 “(a) PREFERENTIAL TREATMENT.—

8 “(1) IN GENERAL.—Eligible apparel articles  
9 wholly assembled in an eligible country and imported  
10 directly from an eligible country shall enter the  
11 United States free of duty, without regard to the  
12 source of the fabric or yarns from which the articles  
13 are made, if such apparel articles are accompanied  
14 by an earned import allowance certificate that re-  
15 flects the amount of credits equal to the total square  
16 meter equivalents of fabric in such apparel articles,  
17 in accordance with the program established under  
18 subsection (b).

19 “(2) DETERMINATION OF QUANTITY OF SME.—  
20 For purposes of determining the quantity of square  
21 meter equivalents under paragraph (1), the conver-  
22 sion factors listed in ‘Correlation: U.S. Textile and  
23 Apparel Industry Category System with the Har-  
24 monized Tariff Schedule of the United States of  
25 America, 2008’, or its successor publications, of the  
26 United States Department of Commerce, shall apply.

1 “(b) EARNED IMPORT ALLOWANCE PROGRAM.—

2 “(1) ESTABLISHMENT.—The Secretary of Com-  
3 merce shall establish a program to provide earned  
4 import allowance certificates to any producer or enti-  
5 ty controlling production of eligible apparel articles  
6 in an eligible country for purposes of subsection (a),  
7 based on the elements described in paragraph (2).

8 “(2) ELEMENTS.—The elements referred to in  
9 paragraph (1) are the following:

10 “(A) One credit shall be issued to a pro-  
11 ducer or an entity controlling production for  
12 every two square meter equivalents of qualifying  
13 fabric that the producer or entity controlling  
14 production can demonstrate that it has pur-  
15 chased for the manufacture in an eligible coun-  
16 try of articles like or similar to any article eligi-  
17 ble for preferential treatment under subsection  
18 (a). The Secretary of Commerce shall, if re-  
19 quested by a producer or entity controlling pro-  
20 duction, create and maintain an account for  
21 such producer or entity controlling production,  
22 into which such credits may be deposited.

23 “(B) Such producer or entity controlling  
24 production may redeem credits issued under  
25 subparagraph (A) for earned import allowance

1 certificates reflecting such number of earned  
2 credits as the producer or entity may request  
3 and has available.

4 “(C) Any textile mill or other entity lo-  
5 cated in the United States that exports quali-  
6 fying fabric to an eligible country may submit,  
7 upon such export or upon request, the Shipper’s  
8 Export Declaration, or successor documenta-  
9 tion, to the Secretary of Commerce—

10 “(i) verifying that the qualifying fab-  
11 ric was exported to a producer or entity  
12 controlling production in an eligible coun-  
13 try; and

14 “(ii) identifying such producer or enti-  
15 ty controlling production, and the quantity  
16 and description of qualifying fabric ex-  
17 ported to such producer or entity control-  
18 ling production.

19 “(D) The Secretary of Commerce may re-  
20 quire that a producer or entity controlling pro-  
21 duction submit documentation to verify pur-  
22 chases of qualifying fabric.

23 “(E) The Secretary of Commerce may  
24 make available to each person or entity identi-  
25 fied in the documentation submitted under sub-

1 paragraph (C) or (D) information contained in  
2 such documentation that relates to the purchase  
3 of qualifying fabric involving such person or en-  
4 tity.

5 “(F) The program shall be established so  
6 as to allow, to the extent feasible, the submis-  
7 sion, storage, retrieval, and disclosure of infor-  
8 mation in electronic format, including informa-  
9 tion with respect to the earned import allow-  
10 ance certificates required under subsection  
11 (a)(1).

12 “(G) The Secretary of Commerce may rec-  
13 oncile discrepancies in the information provided  
14 under subparagraph (C) or (D) and verify the  
15 accuracy of such information.

16 “(H) The Secretary of Commerce shall es-  
17 tablish procedures to carry out the program  
18 under this section by September 30, 2008, and  
19 may establish additional requirements to carry  
20 out the program.

21 “(c) DEFINITIONS.—For purposes of this section—

22 “(1) the term ‘appropriate congressional com-  
23 mittees’ means the Committee on Ways and Means  
24 of the House of Representatives and the Committee  
25 on Finance of the Senate;

1           “(2) the term ‘eligible apparel articles’ means  
2           the following articles classified in chapter 62 of the  
3           HTS (and meeting the requirements of the rules re-  
4           lating to chapter 62 of the HTS contained in gen-  
5           eral note 29(n) of the HTS) of cotton (but not of  
6           denim): trousers, bib and brace overalls, breeches  
7           and shorts, skirts and divided skirts, and pants;

8           “(3) the term ‘eligible country’ means the Do-  
9           minican Republic; and

10          “(4) the term ‘qualifying fabric’ means woven  
11          fabric of cotton wholly formed in the United States  
12          from yarns wholly formed in the United States and  
13          certified by the producer or entity controlling pro-  
14          duction as being suitable for use in the manufacture  
15          of apparel items such as trousers, bib and brace  
16          overalls, breeches and shorts, skirts and divided  
17          skirts or pants, all the foregoing of cotton, except  
18          that—

19                 “(A) fabric otherwise eligible as qualifying  
20                 fabric shall not be ineligible as qualifying fabric  
21                 because the fabric contains nylon filament yarn  
22                 with         respect         to         which         section  
23                 213(b)(2)(A)(vii)(IV) of the Caribbean Basin  
24                 Economic Recovery Act applies;

1 “(B) fabric that would otherwise be ineli-  
2 gible as qualifying fabric because the fabric  
3 contains yarns not wholly formed in the United  
4 States shall not be ineligible as qualifying fabric  
5 if the total weight of all such yarns is not more  
6 than 10 percent of the total weight of the fab-  
7 ric, except that any elastomeric yarn contained  
8 in an eligible apparel article must be wholly  
9 formed in the United States; and

10 “(C) fabric otherwise eligible as qualifying  
11 fabric shall not be ineligible as qualifying fabric  
12 because the fabric contains yarns or fibers that  
13 have been designated as not commercially avail-  
14 able pursuant to—

15 “(i) article 3.25(4) or Annex 3.25 of  
16 the Agreement;

17 “(ii) Annex 401 of the North Amer-  
18 ican Free Trade Agreement;

19 “(iii) section 112(b)(5) of the African  
20 Growth and Opportunity Act;

21 “(iv) section 204(b)(3)(B)(i)(III) or  
22 (ii) of the Andean Trade Preference Act;

23 “(v) section 213(b)(2)(A)(v) or  
24 213A(b)(5)(A) of the Caribbean Basin  
25 Economic Recovery Act; or



1 “(vi) any other provision, relating to  
2 determining whether a textile or apparel  
3 article is an originating good eligible for  
4 preferential treatment, of a law that imple-  
5 ments a free trade agreement entered into  
6 by the United States that is in effect at  
7 the time the claim for preferential treat-  
8 ment is made.

9 “(d) REVIEW AND REPORT.—

10 “(1) REVIEW.—The United States Inter-  
11 national Trade Commission shall carry out a review  
12 of the program under this section annually for the  
13 purpose of evaluating the effectiveness of, and mak-  
14 ing recommendations for improvements in, the pro-  
15 gram.

16 “(2) REPORT.—The United States Inter-  
17 national Trade Commission shall submit to the ap-  
18 propriate congressional committees annually a report  
19 on the results of the review carried out under para-  
20 graph (1).

21 “(e) EFFECTIVE DATE AND APPLICABILITY.—

22 “(1) EFFECTIVE DATE.—The program under  
23 this section shall be in effect for the 10-year period  
24 beginning on the date on which the President cer-  
25 tifies to the appropriate congressional committees

1       that sections A, B, C, and D of the Annex to Presi-  
 2       dential Proclamation 8213 (December 20, 2007)  
 3       have taken effect.

4               “(2) APPLICABILITY.—The program under this  
 5       section shall apply with respect to qualifying fabric  
 6       exported to an eligible country on or after August 1,  
 7       2007.”.

8       (b) CLERICAL AMENDMENT.—The table of contents  
 9       for the Dominican Republic-Central America-United  
 10       States Free Trade Agreement Implementation Act is  
 11       amended by inserting after the item relating to section  
 12       403 the following:

“Sec. 404. Earned import allowance program.”.

13   **SEC. 3. AFRICAN GROWTH AND OPPORTUNITY ACT.**

14       (a) IN GENERAL.—Section 112 of the African  
 15       Growth and Opportunity Act (19 U.S.C. 3721) is amend-  
 16       ed—

17               (1) in subsection (b)(6)(A), by striking “ethic”  
 18       in the second sentence and inserting “ethnic”; and

19               (2) in subsection (c)—

20                       (A) in paragraph (1), by striking “, and  
 21       subject to paragraph (2),”;

22                       (B) by striking paragraphs (2) and (3);

23                       (C) in paragraph (4)—

24                               (i) by striking “Subsection (b)(3)(C)”  
 25       and inserting “Subsection (b)(3)(B)”; and

1 (ii) by redesignating such paragraph  
2 (4) as paragraph (2); and

3 (D) by striking paragraph (5) and insert-  
4 ing the following:

5 “(3) DEFINITION.—In this subsection, the term  
6 ‘lesser developed beneficiary sub-Saharan African  
7 country’ means—

8 “(A) a beneficiary sub-Saharan African  
9 country that had a per capita gross national  
10 product of less than \$1,500 in 1998, as meas-  
11 ured by the International Bank for Reconstruc-  
12 tion and Development;

13 “(B) Botswana;

14 “(C) Namibia; and

15 “(D) Mauritius.”.

16 (b) APPLICABILITY.—The amendments made by sub-  
17 section (a) apply to goods entered, or withdrawn from  
18 warehouse for consumption, on or after the 15th day after  
19 the date of the enactment of this Act.

20 (c) REVIEW AND REPORTS.—

21 (1) ITC REVIEW AND REPORT.—

22 (A) REVIEW.—The United States Inter-  
23 national Trade Commission shall conduct a re-  
24 view to identify yarns, fabrics, and other textile  
25 and apparel inputs that through new or in-

1           creased investment or other measures can be  
2           produced competitively in beneficiary sub-Saha-  
3           ran African countries.

4           (B) REPORT.—Not later than 7 months  
5           after the date of the enactment of this Act, the  
6           United States International Trade Commission  
7           shall submit to the appropriate congressional  
8           committees and the Comptroller General a re-  
9           port on the results of the review carried out  
10          under subparagraph (A).

11          (2) GAO REPORT.—Not later than 90 days  
12          after the submission of the report under paragraph  
13          (1)(B), the Comptroller General shall submit to the  
14          appropriate congressional committees a report that,  
15          based on the results of the report submitted under  
16          paragraph (1)(B) and other available information,  
17          contains recommendations for changes to United  
18          States trade preference programs, including the Af-  
19          rican Growth and Opportunity Act (19 U.S.C. 3701  
20          et seq.) and the amendments made by that Act, to  
21          provide incentives to increase investment and other  
22          measures necessary to improve the competitiveness  
23          of beneficiary sub-Saharan African countries in the  
24          production of yarns, fabrics, and other textile and  
25          apparel inputs identified in the report submitted

1 under paragraph (1)(B), including changes to re-  
2 quirements relating to rules of origin under such  
3 programs.

4 (3) DEFINITIONS.—In this subsection—

5 (A) the term “appropriate congressional  
6 committees” means the Committee on Ways  
7 and Means of the House of Representatives and  
8 the Committee on Finance of the Senate; and

9 (B) the term “beneficiary sub-Saharan Af-  
10 rican countries” has the meaning given the  
11 term in section 506A(c) of the Trade Act of  
12 1974 (19 U.S.C. 2466a(c)).

13 (d) CLERICAL AMENDMENT.—Section 6002(a)(2)(B)  
14 of Public Law 109–432 is amended by striking “(B) by  
15 striking” and inserting “(B) in paragraph (3), by strik-  
16 ing”.

17 **SEC. 4. GENERALIZED SYSTEM OF PREFERENCES.**

18 Section 505 of the Trade Act of 1974 (19 U.S.C.  
19 2465) is amended by striking “December 31, 2008” and  
20 inserting “December 31, 2009”.

21 **SEC. 5. CUSTOMS USER FEES.**

22 (a) IN GENERAL.—Section 13031(j)(3) of the Con-  
23 solidated Omnibus Budget Reconciliation Act of 1985 (19  
24 U.S.C. 58c(j)(3)) is amended—

1           (1) in subparagraph (A), by striking “Novem-  
2       ber 14, 2017” and inserting “February 21, 2018”;  
3       and

4           (2) in subparagraph (B)(i), by striking “Octo-  
5       ber 7, 2017” and inserting “January 31, 2018”.

6       (b) REPEAL.—Section 15201 of the Food, Conserva-  
7       tion, and Energy Act of 2008 (Public Law 110–246) is  
8       amended by striking subsections (c) and (d).

9       **SEC. 6. TIME FOR PAYMENT OF CORPORATE ESTIMATED**  
10           **TAXES.**

11       The percentage under subparagraph (C) of section  
12       401(1) of the Tax Increase Prevention and Reconciliation  
13       Act of 2005 in effect on the date of the enactment of this  
14       Act is increased by 2.25 percentage points.

15       **SEC. 7. TECHNICAL CORRECTIONS.**

16       Section 15402 of the Food, Conservation, and En-  
17       ergy Act of 2008 (Public Law 110–246) is amended—

18           (1) in subsections (a) and (b), by striking  
19       “Carribean” each place it appears and inserting  
20       “Caribbean”; and

- 1 (2) in subsection (d), by striking “231A(b)”
- 2 and inserting “213A(b)”.

Passed the House of Representatives September 29,  
2008.

Attest:

*Clerk.*

110<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 7222**

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**AN ACT**

To extend the Andean Trade Preference Act, and  
for other purposes.